

## Message Text

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ORIGIN NEA-10

INFO OCT-01 ISO-00 ONY-00 /011 R

DRAFTED BY NEA/ARP:JWTWINAM  
APPROVED BY NEA/ARP:JWTWINAM  
L/PM:TBOREK(INFO)  
DESIRED DISTRIBUTION  
NEA ONLY

-----009658 290108Z /75

P 282244Z JUL 78  
FM SECSTATE WASHDC  
TO AMEMBASSY MANAMA PRIORITY  
INFO AMEMBASSY JIDDA PRIORITY

C O N F I D E N T I A L STATE 191657

STADIS////////////////////////////////////  
FOR AMBASSADORS CLUVERIUS AND WEST FROM TWINAM

E.O. 11652: GDS

TAGS: SEDU, BA, SA, US

SUBJECT: BAHRAIN SCHOOL

1. I SPENT THREE HOURS AT DOD JULY 27 AT A MEETING HELD  
UNDER DEPUTY ASSISTANT SECRETARY MURRAY'S AUSPICES AND  
INCLUDING A LARGE CAST OF SCHOOL ADMINISTRATORS, LAWYERS,  
AND BILL CROWE'S AIDE. OUR LAWYER, TED BOREK, WAS ABLE  
TO ATTEND MOST OF THIS LENGTHY SESSION.

2. DOD RECOGNIZES IT MADE A COMMITMENT TO BAHRAIN SCHOOL  
TRUST BUT CLAIMS IT HAS NOW COME TO CONCLUSION THERE IS  
NO WAY IT CAN WITHIN THE LAW HONOR IT WITHOUT PASSING  
ALL COSTS FOR DOD'S SHARE OF SCHOOL CONSTRUCTION THROUGH  
TO THE SAUDIS. AS YOU KNOW DOD PROPOSES DOING THIS  
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THROUGH A FIVE-YEAR LEASE ARRANGEMENT WHICH COULD BRING  
THE COST PER STUDENT PER YEAR TO THE SAUDIS AS HIGH AS  
DOLS. 20,000. DOD NOTES THAT REQUIREMENT TO AMORTIZE  
THIS COST OVER FIVE YEARS IS A REQUIREMENT WHICH TRUST  
HAS IMPOSED. WE MAINTAIN POSITION THAT FMS LEGISLATION  
DOES NOT REQUIRE COLLECTION OF CONSTRUCTION COSTS OF THIS  
NATURE FROM FMS RECIPIENT AND THAT THERE IS NO PRECEDENT

FOR A FMS PURCHASER TO PAY THE COST OF CONSTRUCTION OF DOD-RUN SCHOOLS WHICH DEPENDENTS OF DOD PERSONNEL WORKING UNDER FMS CASES ATTEND.

3. DOD PERSISTED THAT ITS ONLY RECOURSE IF DEPARTMENT REFUSES TO LET IT APPROACH SAUDIS FOR MONEY IS TO CLOSE THE BOARDING SCHOOL, WHILE ACKNOWLEDGING THAT IT IS UNLIKELY THAT SAUDIS WOULD PUT UP THIS KIND OF MONEY TO MAINTAIN BOARDING SCHOOL OR THAT CONGRESS WOULD ULTIMATELY PROVIDE SUCH FUNDS IF SAUDIS WOULD NOT. DURING COURSE OF MEETING DOD REPRESENTATIVES TOOK POSITION THAT THE ISSUE IS REALLY CLOSED AND THAT THE DECISION SHOULD BE TAKEN TO CLOSE THE BOARDING SCHOOL.

4. ONE THING THAT EMERGED CLEARLY IS THAT DOD IS AWARE OF ITS INTEREST IN BAHRAIN AND RECOGNIZES ITS COMMITMENT TO RUN BAHRAIN SCHOOL, INCLUDING HIGH SCHOOL, FOR SOME YEARS WHETHER OR NOT DOD DEPENDENTS FROM SAUDI ARABIA ATTEND. THE ESSENCE OF THE PROBLEM SEEMS TO BE THE DIFFICULTY OF MAKING AN ECONOMIC CASE FOR MAINTAINING BOARDING SCHOOL FOR DOD DEPENDENTS IN BAHRAIN.

5. AS THIS SEEMINGLY HOPELESS DIALOGUE WORE ON, I SUGGESTED THAT IT SEEMS IMPERATIVE THAT DOD RE-ESTABLISH COMMUNICATION WITH THE COMMUNITY IN BAHRAIN SINCE IN MY VIEW THE AMBASSADOR HAD BEEN LEFT COVERING FOR DOD'S CONFIDENTIAL

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INABILITY TO COME THROUGH ON PREVIOUS COMMITMENT. I MADE FOLLOWING SUGGESTION WHICH I EMPHASIZED WAS STRICTLY TENTATIVE SUBJECT TO THE URGENT NEED FOR AMBASSADOR CLUVERIUS TO MEET WITH DOD UPON HIS RETURN TO WASHINGTON AND SUBJECT TO AMBASSADOR WEST'S VIEWS. PURPOSE OF THIS SUGGESTION WAS TO ISOLATE THE APPARENTLY INTRACTABLE BOARDING SCHOOL PROBLEM FROM THE REST OF THE PROBLEM, WHICH SEEMS MORE MANAGEABLE.

6. SUGGESTION WAS THAT DOD RESUME DISCUSSIONS WITH SCHOOL TRUST MAKING IT CLEAR THAT DOD IS PREPARED TO CONTINUE RUNNING BAHRAIN SCHOOL FOR SOME YEARS WHETHER OR NOT BOARDING SCHOOL CONTINUES. THEN DOD COULD WORK OUT WITH TRUST REVISED PLANS FOR CLASSROOM CONSTRUCTION INCLUDING CONTINGENCY THAT THERE WOULD BE NO BOARDING STUDENTS IN HIGH SCHOOL. WHILE THIS IS VERY MUCH HALF A LOAF, IT AT LEAST WOULD PERMIT BAHRAIN COMMUNITY TO GET ON WITH ITS PLANS FOR DAY SCHOOL, WHICH IS AFTER ALL CENTRAL INTEREST OF COMMUNITY IN BAHRAIN.

7. SIMULTANEOUSLY, DOD WOULD PUT TOGETHER A SET OF OPTIONS FOR STATE REVIEW ON HOW TO EDUCATE DOD HIGH SCHOOL

DEPENDENTS IN SAUDI ARABIA. (IT WAS MADE CLEAR THAT  
STATE STILL DOES NOT ACCEPT LEGAL ARGUMENT THAT SAUDIS

MUST PAY ALL CONSTRUCTION COSTS ATTRIBUTABLE TO FMS  
STUDENTS IN SAUDI ARABIA.) ALTERNATIVES WHICH MIGHT BE  
INCLUDED IN THIS PACKAGE RANGE FROM SAG'S CONSTRUCTING  
DORMITORY IN BAHRAIN THROUGH THE LEAST COSTLY OPTION OF  
SAG'S PAYING FOR ATTENDANCE OF DEPENDENTS AT DOD OR  
PRIVATE SCHOOLS IN EUROPE OR U.S. SUBJECT TO DEPARTMENT'S  
AND AMBASSADOR WEST'S CONCURRENCE, IDEA WOULD BE TO  
RAISE WITH APPROPRIATE SAG OFFICIALS NOT THE QUESTION  
OF FINANCING CONSTRUCTION FOR BAHRAIN SCHOOL, BUT THE  
UNAVOIDABLE QUESTION OF HOW BEST TO PROVIDE HIGH SCHOOL  
EDUCATION FOR FMS DEPENDENTS IN ABSENCE OF SAG'S GO  
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AHEAD IN PERMITTING A HIGH SCHOOL IN SAUDI ARABIA. DOD  
AGREED TO CONSULT WITH CHUSMTM AND OTHER CONCERNED  
COMMANDS IN SAUDI ARABIA AND TO BEGIN WORKING ON THIS  
PROPOSAL. THERE WAS FULL UNDERSTANDING IN MEETING  
HOWEVER THAT IF OPTIONS ARE PRESENTED TO THE SAUDIS THEY  
WILL IN ALL LIKELIHOOD SEIZE ON LESS-EXPENSIVE  
ALTERNATIVES INVOLVING EDUCATION OF U.S. DEPENDENTS IN  
EUROPE OR U.S. RATHER THAN ON CONTINUING TO PAY A SHARE  
OF THE EXTREMELY HIGH OPERATING COSTS OF BAHRAIN  
BOARDING SCHOOL, EVEN WITHOUT SIGNIFICANT DORMITORY  
CONSTRUCTION.

6. REALIZE URGENT NEED TO MOVE ON WITH THIS PROBLEM, BUT  
BELIEVE ONLY WAY TO AVOID IMMEDIATE DOD DECISION TO  
TERMINATE BOARDING SCHOOL IS TO PURSUE TOPIC FURTHER IN  
EARLY AUGUST UPON AMBASSADOR CLUVERIUSRETURN. I  
TENTATIVELY AGREED WITH DOD REPRESENTATIVES TO SUCH A  
MEETING. VANCE

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COSTS, MILITARY SCHOOLS, MEETINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 jul 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE191657  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** JJWTWINAM  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780311-0134  
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**Litigation History:**  
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**Message ID:** 61500477-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN NEA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** ONLY, STADIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
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**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** ONLY, STADIS  
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**Retention:** 0  
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**Review Content Flags:**  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2039008  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BAHRAIN SCHOOL  
**TAGS:** ASCH, MORG, SEDU, BA, SA, US, DOD  
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**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014